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August 13, 1999

Daniel C. Sheppard Gold Terra, Incorporated P.O. Box 783 Price, Utah 84501

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Black Butte Mine,

S/015/080 (ML-47708), Emery County, Utah

Dear Mr. Sheppard:

Thank you for your revised Notice of Intention to Commence Small Mining Operations, received by the Division on July 26, 1999. The application for the proposed Black Butte Mine located in the SE 1/4 of Section 2, T20S, R14E, SLBM, Emery County, Utah is now complete and no additional information is required by the Division at this time. The initial permit fee for this project was received July 12, 1999.

The revisions to the notice include: reducing the mine site area to a block 425 feet square (4.15 acres); increasing the width of the existing eight foot wide access road by six feet for a total width of 14 feet (only the increased width is considered new disturbance); graveling the road surface in isolated areas of poor road base; and creating a new section of access road 500 feet long by 14 feet to avoid impacts to the historic dam site. Based on these revisions the surface disturbance for this small mine notice would include: the mine site at 4.15 acres, the additional 3,693 feet of increased road width at 0.51 acre, and the new road area at 0.16 acres. The total project disturbance is estimated as 4.82 acres.

The Division will require reclamation of the newly created section of access road, the graveled sections, and the increased road width. However, the Division will defer the final reclamation requirements for the access road to the School and Institutional Trust Lands Administration (SITLA).

No variances have been requested in this notice, however, a June 28, 1999 SITLA inspection documented the area to be mined as being devoid of vegetation. Given these pre-mining conditions, the Division will expect the mined out areas to be seeded, however, a revegetation success standard will not apply to this area. The reclamation seeding will need to be documented by SITLA or Division personnel.

If you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could

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take from six to twelve months or longer. Please be advised that you will need approval from the School and Institutional Trust Lands Administration prior to beginning operations.

A Memorandum of Understanding between this Division and the State Department of Environmental Quality (DEQ) requires us to notify them upon receipt of a mining application. Enclosed is a copy of their review response for the initial small mine notice.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,

Anthony A. Gallegos

Senior Reclamation Specialist

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Enclosures: DEQ Response memo

Dan Guy, Blackhawk Engineering, Inc.

Will Stokes, SITLA Tracking File

s15-80rs.ltr

MEMORANDUM

From:

Dave Rupp, UT Division of Water Quality

To:

Affected BLM & DOGM Personnel

Date:

July 21, 1999

Subject:

Various Mining Projects, DWQ Inventory File Nos. 76-79

We have reviewed copies of the NOI for the subject dry mining operations. Diversion of storm water runoff before contact with waste rock and ore and to prevent erosion and contamination is required. Any stream alteration works should be reviewed by the Division of Water Rights before implementing. Any future wet milling operations should not discharge. Beyond these considerations, it does not appear the operations, will have any water quality impacts. Any development into wet mining operations will need to be reviewed. If you have any questions or further information on these items, please contact me at 801-538-6067.

File	Mine	POC	Location &	Agency	Finding/
No.	Operator		FILE NO.		Date
√ 76	D. Sheppard	T.Gallegos	S/015/080	DOGM	FNSI July 15, 1999
√ 77	Morrison/ Anderson	T.Gallegos	S/015/079	DOGM	FNSI July 15, 1999
√ 78	C.R. Chauncy	L.Kunzler	S/053/055	DOGM	FNSI July 15, 1999
√ 79	K.Gardner	L.Kunzler	S/015/080	DOGM	FNSI July 15, 1999

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